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## **News Release**

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### **Eagan man pleads guilty to mortgage fraud**

A 36-year-old Eagan man pleaded guilty last week in federal court to counts of wire fraud and aggravated identity theft in connection with a scheme to defraud several financial institutions out of approximately \$1.8 million.

John M. Rubischko entered his plea June 27 before United States District Court Judge Donovan Frank in St. Paul. Rubischko was charged June 16 with one count of wire fraud and one count of aggravated identity theft.

According to Rubischko's plea agreement, he was a mortgage broker who owned and operated licensed mortgage broker businesses, including Family First Mortgage, All Fund Mortgage and MortgageBanc.us. From January 2003 through June 2007, Rubischko devised a scheme to defraud and to obtain money by means of false and fraudulent pretenses.

With the assistance of financial institution employees, Rubischko used the identities and personal information of other individuals without their knowledge or authorization, to obtain approximately \$1.8 million in bank loans, bank credit and mortgages. Rubischko used the funds from these transactions to purchase residences and personal property.

Rubischko directed bank employees to notarize forged documents, to create false documents, to misapply funds from bank loans and credit transactions for his benefit, and to conceal the transactions from the individuals whose identities he had used. Rubischko paid the bank employees for these fraudulent actions. According to the plea, Rubischko used his elderly mother's name to purchase a Prior Lake property.

Rubischko faces a potential maximum penalty of 30 years in prison and a fine of up to the greater of \$1 million or twice the amount of gain or loss. Judge Frank will determine Rubischko's sentence at a future date.

This case is the result of an investigation by the Federal Mortgage Fraud Task Force and is being prosecuted by Assistant U.S. Attorney Joe Dixon.

